



CT TEACHERS' RETIREMENT BOARD

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TESTIMONY OF HELEN SULLIVAN, ADMINISTRATOR

TEACHERS' RETIREMENT BOARD

S.B. No. 396 AN ACT CONCERNING REVISIONS TO THE TEACHERS' RETIREMENT SYSTEM STATUTES.

BEFORE THE APPROPRIATIONS COMMITTEE

March 18, 2022

Good afternoon, Senator Osten, Representative Walker, and members of the Appropriations Committee. My name is Helen Sullivan; I am the Administrator for the Teachers' Retirement Board.

First, I will address S.B. 396. To summarize, the bill clarifies, and updates obsolete statutory language, makes certain technical language adjustments and helps streamline the administration of the CT Teachers' Retirement System.

Section 10-183b to introduce new terms and modify existing terms.

CORRECTION: The definition of Contributions 10-183b(7), SB-396 lines 61-100, should not be modified. The proposed language cannot be administered without changes to existing SERS and CTRS procedures which have not been evaluated for their impact to the corresponding funds.

CORRECTION: The definition of a Teacher 10-183b(26)(D), SB-396 lines 263-278, if not amended to reflect the language below, would allow participation in the TRS system who otherwise do not meet eligibility requirements, including all UCONN faculty regardless of their position. The intention is only to clarify that UCONN employees employed in an education role are eligible for TRS. The language should therefore be corrected as follows:

(D)[a] member of the professional staff [of] employed in an educational role at the State Board of Education, the Office of Early Childhood, [or of] the Board of Regents for Higher Education or any of the constituent units, the Connecticut Technical Education and Career System, and faculty members employed in an educational role by the University of Connecticut; [and] (E) a [member of the] staff member of the State Education Resource Center employed in an educational role established pursuant to section 10-4q of the 2014 supplement to the general statutes, revision of 1958, revised to January 1, 2013, or the State Education Resource Center established pursuant to section 10-357a, employed in a professional capacity while possessing a certificate or permit issued by the State Board of Education, provided such staff member was hired prior to July 1, 2022. A "permanent substitute teacher" is [one] a person who serves as [such for at least ten months during any school year] a substitute teacher in the same assignment for an entire school year.

CORRECTION: The definition of a Surviving Spouse 10-183b(23)(B), SB-396 line 241, should not be amended with the proposed language. By moving the age sixty language from Section 10-183h(f), which sets forth the rules for survivorship benefits and adding it to the definition of Surviving Spouse, which is a defined term used broadly throughout the entirety of the TRS statutes, it will unintentionally impact the remarriage benefit for members prior to age 60 and no change to the statutes was intended in that regard.

Section 10-183c is amended to make certain conforming changes.

Section 10-183e to more accurately express the requirements for credited service, modified to align the types of service that is Connecticut teaching service and that which does not constitute Connecticut teaching service and to repeal Subsections (d) and (e). To amend section 10-183e(c) to specify certain forms of other payments for the purchase of service credits.

CORRECTION: Section 10-183e(a)(2), SB-396 lines 321-330, was amended to clarify that mandatory contributions must be paid generally and did not limit the payment of such mandatory contributions solely on the member to account for instances where the employer may be the party paying the mandatory contributions to TRS. The language should therefore be corrected as follows:

(2) The board may grant a member a month of credited service for a month during which such member was employed after the first school day but not later than the fifth school day of such month if [(1)] (A) such month was the member's first month of service as a teacher, [and (2)] (B) such month of credited service is needed by the member in order to qualify for a normal retirement benefit, [. Ten months of credited service shall be equal to one year of credited service. A member may not accumulate more than one year of credited service during any school year] and (C) the mandatory contributions for such month are paid.

Section 10-183g in subsection (b), (c) and (d) to add in the public schools of Connecticut, to more correctly state the alternative payment forms and time for payment under each in (f) and (g) and requires the member be eligible to retire and separate from service, deletes an outdated provision at the end of the section.

Section 10-183h to add in (b) in the public schools in Connecticut and to delete an outdated provision, clarify Subsection (c).

CORRECTION: Section 10-183(h)(f) should not be repealed as proposed in SB-396 lines 788-791. As mentioned with respect to Section 10-183b(23)(B), SB-396 line 241, the provision regarding how survivorship benefits are affected in instances where the surviving spouse remarries after age 60 should not be added to Section 10-183b(23)(B) but rather should remain in this Section 10-183h as subsection (f).

Section 10-183j to define the Plan N, Plan C and Plan D options, amend the death benefit language to correct the 2019 legislation and to remove an outdated provision. Subsection 10-183j(d)(2) is amended to add that the co-participant option is terminated on legal separation in addition to death or divorce for years after July 1, 2022. For years on or after July 1, 2022, the term legal separation is added so that a co-participant option shall not be terminated in the event of divorce or legal separation. To add in the public schools in Connecticut in (b), in (c) to make it clear that termination must be a result of an event other than death of the member, and in (d) provide authority to the board to issue implementation regulations.

Section 10-183k to clarify how refund of contribution payments are made depending on the member's years of service.

CORRECTION: Subsections (a) SB-396 line 884, (b) SB-396 lines 888 and 892 , and (c) SB-396 line 902 should be revised by adding the words “voluntarily or involuntarily” before the word “terminates” in each instance where it appears in subsections (a), (b), and (c) to clarify that termination includes voluntary and involuntary terminations of employment, as this has been a source of confusion for members attempting to construe the statute.

Section 10-183n to provide the member is responsible to remit payment to TRB, to allow the board to waive amounts due if it would cause a hardship to the member and to make it clear the board is not responsible to credit interest on certain refunds.

Section 10-183o to permit the payment of mandatory contributions by an employer on behalf of a member when in the armed services consistent with the requirements of the Uniformed Services Employment and Reemployment Act of 1994.

Section 10-183q subsection (a) to provide for two instances where the funds may be accessed for approved domestic relations orders and tax transfers.

Section 10-183t, to delete the last sentence in (a) as this is an outdated provision as the board no longer participates in this reimbursement program with the federal government, subsection (b) is amended to recognize other requirements for coverage under a state plan, add a new subsection

(e) to require the employer to file a timely quarterly report with additions, deletions and plan changes in order to receive the subsidy. Failure to do so will result in a delay of the subsidy for that quarter. The subsidy payment is limited to six months from the date the board receives the report with the new eligible members or dependents disclosed. The employer will hold the members and dependents harmless as a result of the employer's untimely or inaccurate filing of the report.

Section 10-183v(b) to include the Technical Education and Career System.

Section 10-183aa to set guidelines for timeliness of disability applications.

Section 10-183ff is amended to provide that the board may at its discretion consider a request for a reimbursement of bank charges. Subsection (e) is repealed as outdated.

Section 10-183gg is amended to make certain conforming changes.

Section 10-183jj is amended to make certain conforming changes.

Section 10-183pp is amended to make certain conforming changes.

Section 10-183rr is repealed.

CORRECTION: With regards to section 10-183rr, SB-396 lines 1390-1391, please do not repeal as the historical information remaining in statute allows members to pursue benefits to which they may be entitled.

Section 10-183ww, added by legislation in 2019 addresses the interest rate. It sets credited interest to be no more than 4.0%. This is in violation of the federal tax requirements with respect to the voluntary contributions. Actual interest earned must be credited. The limitation of a 4% cap must be lifted for the voluntary contributions.

Section 10-66dd is amended to make certain conforming changes.

These updates and modifications will allow TRB to properly administer benefits to our members. Please support the corrected language to ensure CT teachers continue to receive the pension benefits to which they are entitled. Thank you for your consideration.